Selected Financial Data (UNAUDITED) (Dollars in Millions Except Per Share Amounts)

	1996	1995	1994	1993	1992
Revenues	$15,917.9	$14,771.8	$14,099.4	$13,517.5	$12,297.1
Earnings (Loss) used for computation of available separate consolidated net income (loss)	$ 1,151.2	$ 1,107.8	$ 1,049.2	$ 921.6	$ (921.6)
Average number of shares of General Motors Class H common stock outstanding (in millions)	98.4	95.5	92.1	88.6	75.3
Class H dividend base (in millions)	399.9	399.9	399.9	399.9	399.9
Available separate consolidated net income (loss)	$ 283.3	$ 264.6	$ 241.6	$ 204.5	$ (142.3)
GM Class H cash dividends	$ 94.4	$ 87.9	$ 73.8	$ 64.1	$ 53.3
Dividend payout ratio (1)	35.7%	36.4%	36.0%	N/A	51.0%
Earnings (Loss) attributable to General Motors Class H common stock on a per share basis before cumulative effect of accounting changes	$2.88	$2.77	$2.70	$2.30	$(0.11)
Earnings (Loss) attributable to General Motors Class H common stock on a per share basis after cumulative effect of accounting changes	$2.88	$2.77	$2.62	$2.30	$(2.29)
Capital expenditures (2)	$ 840.2	$ 820.3	$ 746.3	$ 580.0	$ 558.5
Cash and cash equivalents	$ 1,161.3	$ 1,139.5	$ 1,501.8	$ 1,008.7	$ 702.7
Working capital	$ 2,879.4	$ 2,502.0	$ 2,695.5	$ 2,165.2	$ 1,692.4
Total assets	$16,480.1	$15,974.4	$14,850.5	$14,117.1	$14,209.2
Long-term debt and capitalized leases	$ 34.5	$ 258.8	$ 353.5	$ 416.8	$ 711.0
Return on equity* (3)	11.6%	11.5%	12.1%	11.3%	(13.9%)
Income (Loss) before interest and taxes as a percent of capitalization (4)	18.3%	18.7%	19.0%	18.0%	(2.3%)
Pre-tax return on total assets (5)	10.1%	10.3%	10.6%	9.7%	(1.8%)

* Includes unfavorable cumulative effect of accounting changes of $30.4 million in 1994 and $872.1 million in 1992.

(1) GM Class H cash dividends divided by available separate consolidated net income for the prior year.

(2) Includes expenditures related to telecommunications and other equipment amounting to $187.9 million, $274.6 million, $255.8 million, $131.1 million, and $101.6 million in 1996, 1995, 1994, 1993, and 1992, respectively.

(3) Net Income (Loss) divided by average stockholder's equity (General Motors' equity in its wholly-owned subsidiary, Hughes). Holders of GM Class H common stock have no direct rights in the equity or assets of Hughes, but rather have rights in the equity and assets of GM (which includes 100% of the stock of Hughes).

(4) Income (Loss) before interest and taxes divided by average stockholder's equity plus average debt.

(5) Income (Loss) before Income Taxes divided by average total assets.

WHAT IS CLASS H STOCK**

GM Has Two Classes of Common Stock

This annual report is prepared for the benefit of holders of General Motors Corporation ("GM") Class H common stock. GM has two classes of common stock, Class H (ticker symbol GMH) and $1-2/3 par value (ticker symbol GM). Holders of Class H common stock have no direct rights in the equity or assets of Hughes Electronics Corporation (Hughes), but rather have rights in the equity and assets of GM, which includes 100 percent of the stock of Hughes. For purposes of determining the approximate earnings per share attributable to Class H common stock for financial reporting purposes, an investor may divide the quarterly Hughes earnings allocated to Class H common stock (the Available Separate Consolidated Net Income of Hughes) by the weighted-average number of shares of Class H common stock outstanding during such quarter. Earnings per share of GM $1-2/3 par value common stock are calculated on the consolidated earnings of GM excluding the aggregate earnings attributed to the outstanding shares of Class H common stock.

Class H is a GM Stock with Dividend Payments Linked to the Performance of Hughes

Class H common stock, which is issued by GM, is designed to provide holders with financial returns based on the performance of Hughes and not the performance of any other GM subsidiaries, divisions, or operations. The current dividend policy of the GM Board of Directors is to pay quarterly dividends on Class H common stock at an annual rate equal to approximately 35 percent of the Available Separate Consolidated Net Income of Hughes for the prior year as described herein. The Board may change dividend practices and policies with respect to Class H common stock, or any other class of GM common stock, at any time.

Earnings Attributable to Class H Stock are Not Affected by Hughes Aircraft Company Acquisition Intangibles

The Hughes Consolidated Statement of Income reflects amortization and adjustment of purchase accounting adjustments arising from GM's acquisition of Hughes Aircraft Company in 1985 of $122.3 million in 1996, $159.5 million in 1995 and $123.8 million in 1994. Also, $2.7 billion and $2.8 billion, respectively, of related unamortized intangible assets are included in the December 31, 1996 and 1995 Consolidated Balance Sheet. GM's Certificate of Incorporation provides that, in calculating the amount available for payment of dividends on Class H stock (which amount is also used to calculate the earnings attributable to Class H stock on a per share basis), amortization and adjustment of the excess purchase price for the acquisition of Hughes Aircraft Company will not be charged against the earnings of Hughes. For purposes of calculating the amounts available for payment of dividends on Class H stock and on the $1-2/3 par value stock, amortization and adjustment of such purchase accounting adjustments is charged against the amounts available for the payment of dividends on GM's $1-2/3 par value stock, not the Class H stock. This annual report also provides supplemental data that enables readers to review the financial performance of Hughes, excluding amortization and adjustment of GM purchase accounting adjustments related to Hughes Aircraft Company.

**Not a part of the Notes to Consolidated Financial Statements.

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C. Michael Armstrong
Chairman of the Board
and Chief Executive Officer
Hughes Electronics Corporation

Charles T. Fisher, III
Retired Chairman and President
NBD Bancorp Inc.
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EXECUTIVE COMPENSATION COMMITTEE

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Harry J. Pearce
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General Motors Corporation

Edmund T. Pratt, Jr.
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Former Chairman
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CHAIRMAN, AUDIT COMMITTEE
EXECUTIVE COMPENSATION COMMITTEE

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and Chief Financial Officer

Michael T. Smith
Vice Chairman

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Executive Vice President

John C. Weaver
Executive Vice President

Roxanne S. Austin
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Treasurer and Controller

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Senior Vice President

John J. Higgins
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Senior Vice President

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Senior Vice President

David R. Barclay
Vice President

Kenneth N. Heintz
Vice President

Calvin J. Kirby
Vice President

William D. Merritt
Vice President

Wanda K. Denson-Low
Secretary

GM Class H Common Stockholder Information

Market prices of General Motors Class H common stock ranged from $45.00 to $68.25 during calendar year 1996. The number of holders of record of GM Class H common stock as of December 31, 1996, was 247,782.

Transfer Agent and GM Class H Stock Registrar

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c/o Boston Equiserve, L.P.
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Shareholder Services
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02205-9254
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Independent Auditors

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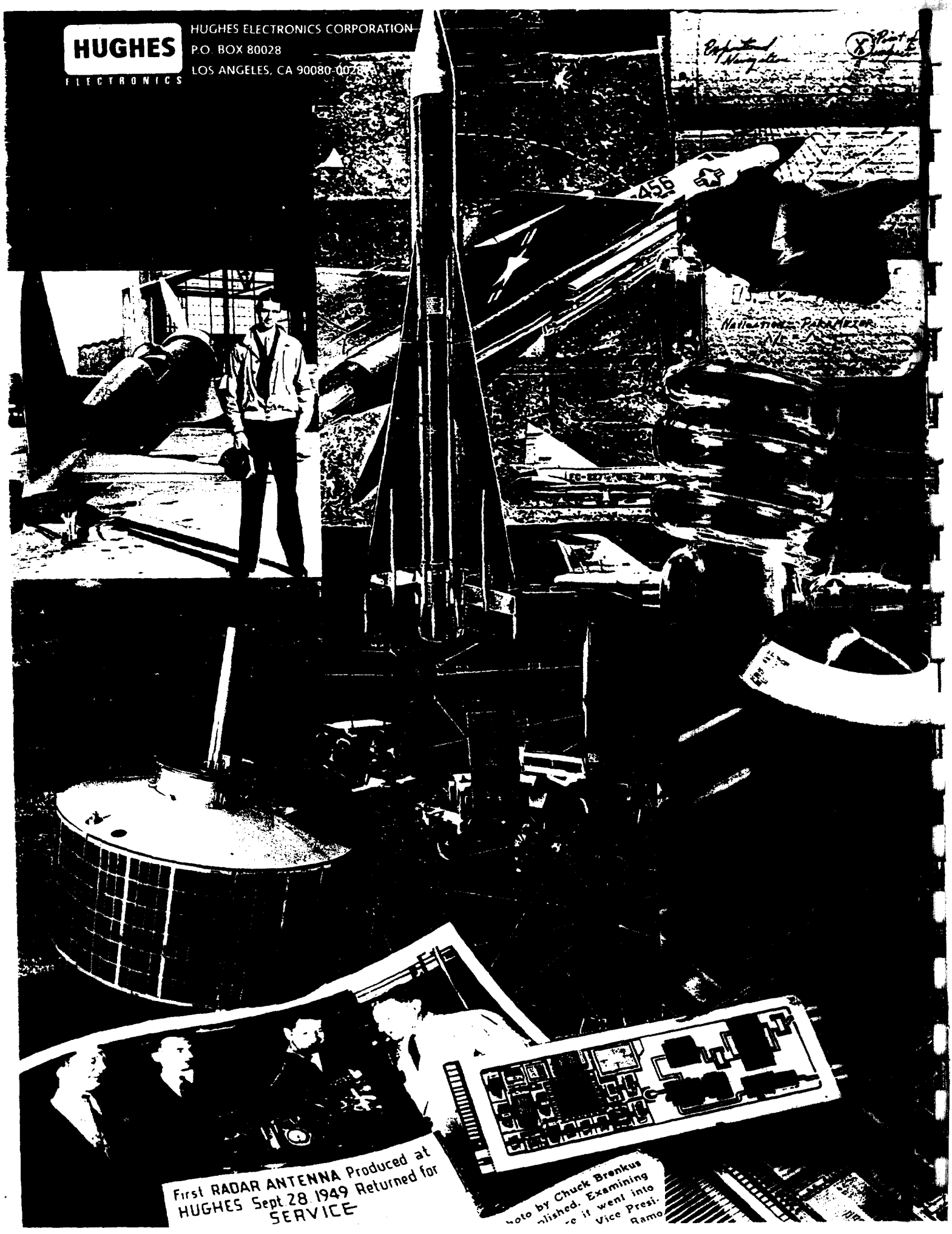
Stock Data

Ticker Symbol: GMH
Listed on the New York Stock Exchange.

Internet

View this Annual Report and other Hughes Electronics information on our World Wide Web site at http://www.hughes.com

THIS REPORT IS PRINTED IN ITS ENTIRETY ON RECYCLED PAPER


HUGHES
ELECTRONICS
HUGHES ELECTRONICS CORPORATION
P.O. BOX 80028
LOS ANGELES, CA 90080-0028
First RADAR ANTENNA Produced at HUGHES Sept 28 1949 Returned for SERVICE
Photo by Chuck Brenkus
Vice Presi-
Ramo

DECLARATION OF SCOTT B. TOLLEFSEN

I, Scott B. Tollefsen, hereby declare under penalty of perjury that:

1. I am a Vice President of Hughes Communications, Inc.
2. The foregoing is a true and correct copy of the consolidated financial statement of Hughes Electronics Corporation (a parent company of Hughes Communications, Inc.) for the year ended December 31, 1996, including the report of Deloitte & Touche LLP, the company's independent certified public accountants, as published in the 1996 annual report of Hughes Electronics Corporation.

Scott B. Tollefsen

Dated: September 24, 1997

AMENDED AND RESTATED

Application of Hughes Communications, Inc.

EXPRESSWAY™
A HUGHES COMMUNICATIONS BUSINESS

Before the Federal Communications Commission

For Expressway™ A Global Telecommunications Satellite System

HUGHES COMMUNICATIONS
A HUGHES ELECTRONICS COMPANY
We Make Ideas Happen®

September 1997

Amended and Restated Application of

HUGHES COMMUNICATIONS, INC.

September 1997

Before the
Federal Communications Commission

for

Expressway™

A Global Telecommunications Satellite System

HUGHES
COMMUNICATIONS

Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

Amended and Restated Application of

HUGHES COMMUNICATIONS, INC.

for

Authority to Launch and Operate

EXPRESSWAY™

A Global Telecommunications Satellite System

September 1997

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of the Application of	)	
HUGHES COMMUNICATIONS, INC.	)	
For Authority to Launch and Operate Expressway™, a global telecommunications satellite system	)	File No:

Pursuant to §§ 308 and 309 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 308 and 309, Hughes Communications, Inc. (HCI), an indirect wholly-owned subsidiary of Hughes Electronics Corporation, hereby requests authority to launch and operate Expressway™, a geostationary orbit (GSO) global satellite system offering a wide range of very high data rate circuit switched services at V-band and Ku-band in the Fixed-Satellite Service (FSS). Expressway™ will be comprised of 14 operational satellites at ten orbital positions interlinked via optical (laser) communications to provide service worldwide.

This amended application supersedes in its entirety the Expressway™ application originally submitted on July 14, 1997. While the architecture of the Expressway™ system remains essentially the same, HCI has made a number of minor refinements that are reflected in this amendment. For the convenience of the reader, those changes are incorporated in this amended and restated version.

The Expressway™ system will contain V-band and Ku-band service links, optical intersatellite links, and telemetry, tracking, and command (TT&C) links. V-band communications will take place in the 47.2 to 50.2 GHz (Earth-to-space)

and 39.5 to 42.5 GHz (space-to-Earth) bands. Ku-band communications will take place in the FSS bands: planned, extended, and/or standard bands, or a combination of these bands, depending on spectrum availability at each orbital position. Specifically, for additional coverage, HCI seeks authorization for 500 MHz of Ku-band spectrum that is currently allocated for FSS use within the 12.75-13.25 GHz and 13.75-14.5 GHz (uplink) and 10.7-12.75 GHz (downlink) bands.

HCI acknowledges that certain portions of the Ku-band are already in use at certain of the orbital positions that HCI has proposed for Expressway. HCI expressly does not seek authority to use any portion of the Ku-band at any orbital location where that portion is unavailable. The existing use of the portions of the Ku-band at different orbital locations and differences in the allocations for these bands around the world are the reasons why HCI has specified a range of Ku-band frequencies currently allocated for the FSS of which it proposes to use 500 MHz at each orbital position.

EXECUTIVE SUMMARY

Hughes Communications, Inc. (HCI) hereby requests authority to launch and operate global geostationary satellite system in the Fixed-Satellite Service (FSS) bands to be known as "Expressway™".

The Expressway™ system is a state-of-the-art 14 geostationary satellite system designed to provide high capacity, wideband satellite communications on a global basis. The system will support the burgeoning demand for telecommunications by offering a full range of services, individually tailored to the needs of customers, at data rates that range from sub-T1 through T1 (1.544 Mbps) to OC-3 (155 Mbps) and higher. By utilizing processor-based satellites located at ten orbital positions around the world and interconnecting those satellites by optical (laser) links, the Expressway™ system will offer a total capacity of 588,000 T1 circuits.

Expressway™ will both complement terrestrial communications systems and offer competitive alternatives to such systems. The system offers affordable "first and last mile" connections to the terrestrial infrastructure as well as high-capacity communications capabilities for locations that are isolated from present or planned terrestrial systems. The unique Expressway™ design exploits the inherent ability of satellites to provide service that is cost-insensitive to distance. The on-board processors facilitate the provision of "bandwidth-on-demand", which avoids the need for dedicated channels and greatly reduces the cost of service.

Expressway™ will serve the needs of both metropolitan and rural users through a highly efficient hybrid use of two different frequency bands. Three GHz

of uplink and downlink bandwidth in the V-band will be maximized through an extremely efficient, high power, spot beam configuration that allows the bandwidth to be reused 40 times by each satellite. The V-band capacity will be deployed primarily to serve the needs of high data rate users, and selected spot beams can be activated in-orbit to respond to market demands. In order to meet the high capacity needs of users in "thin route" areas around the world, 500 MHz of uplink and downlink bandwidth at Ku-band will be deployed through a series of larger area beams with a frequency reuse factor of ten for each satellite.

Grant of this application will serve the public interest in several important respects. Expressway™ will provide innovative services in a part of the spectrum (V-band) that has not been utilized for commercial service to date and will use the limited spectrum resource in a highly efficient manner. Expressway™ will also advance the use of Ku-band FSS spectrum through on-board processors that allow the provision of spectrum efficient "bandwidth-on-demand" services. Thus, Expressway™ will play a vital role in both providing affordable high data rate telecommunications services in the rapidly expanding international marketplace and facilitating the continued development of the National and Global Information Infrastructures.

Expressway™ will enhance existing satellite communications, promote new and innovative two-way telecommunication services, and contribute significantly to the flow of information worldwide. Grant of this application will help maintain the position of the United States as a global leader in space and communications technology and also ensure that U.S.-based satellite providers

will be able to compete effectively with other global telecommunications services well into the next century.

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Introduction

1. INTRODUCTION

1.1. General Description of System Operation and Services

The Expressway™ system is comprised of geostationary orbit (GSO) satellites, an associated earth control segment, and customer equipment. The system provides high capacity, wideband data communications service on a global basis. It addresses the expanding data communication needs of customers, including domestic and multinational corporations, by providing highly reliable, quickly set-up, high capacity links. By offering affordable "first and last mile" high capacity service with attendant short and long haul connection via satellite, Expressway™ provides an attractive alternative to customers who seek to avoid installation delay and costs associated with making connections to terrestrial based systems. The Expressway™ system offers users affordable high rate data service and additional flexibility to obtain high capacity communications services in remote locations away from present or planned terrestrial cable, fiber, and wireless systems. Figure 1.1-1 illustrates the Expressway™ system worldwide coverage. Figure 1.1-2 summarizes its key features.

The system architecture is optimized to provide maximum capacity through the efficient utilization of bandwidth, power, and satellite gain-to-temperature ratio (G/T). Higher bandwidth and satellite G/T are allocated to high traffic density areas.

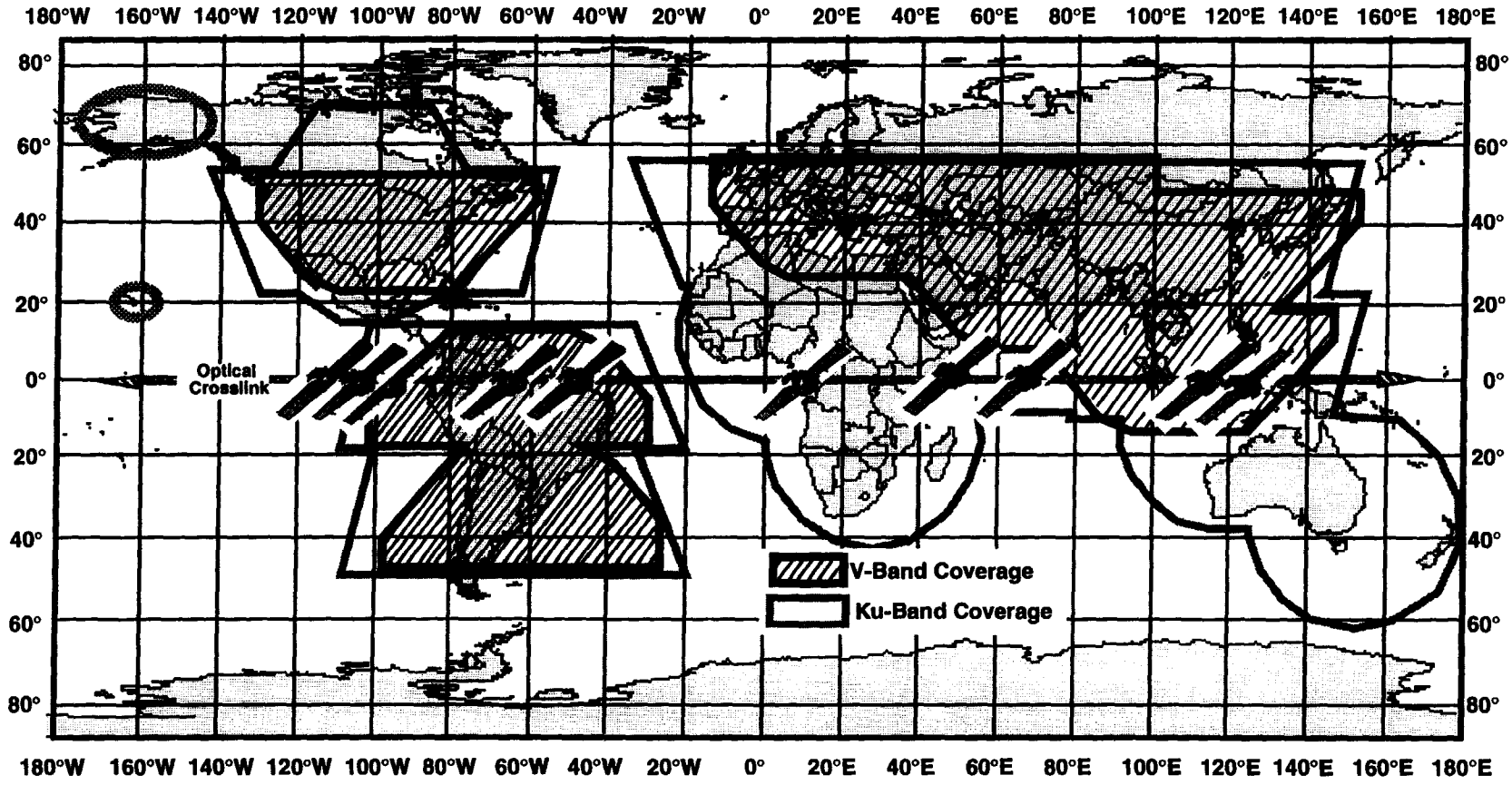

Figure 1.1-1. Expressway™ System

The Expressway™ system is capable of providing a full range of services, from fractional T1 through OC-3 data rates and higher, in virtually any combination. It provides first and last mile connection, short haul (intrabeam) and long haul (interbeam) service capabilities. Each of the satellites in the system will provide the capacity equivalent of 42,000 simultaneous T1 circuits. The total global capacity of the 14 satellite Expressway™ system is 588,000 T1 circuits.

- 42,000 Equivalent T1 Circuit Capacity Per Satellite
- Total System Capacity: 588,000 T1 Circuits (14 Satellites)
- Circuit Switched Processor Payload
- Data Rate Compatibility: Sub-T1, T1, T3, OC-3, and Higher
- Forty Times Spectrum Reuse Per Satellite in V-band
- Ten Times Spectrum Reuse Per Satellite in Ku-band
- Capabilities
  - First and Last Mile Connection
  - Short and Long Haul Connection
  - North - South Hemisphere Thin Route Connection
  - Laser Intersatellite Links for Global Connection
- Selectable Coverage in V-band Provided by 204 Narrow (0.3°) Spot Beams Covering 3° X 6° Area
- Coverage in Ku-band Provided by Eight Elliptical 3° X 1° Area Coverage Beams
- North-South Hemisphere Coverage Provided by Ku-band 6° Spot Beam

Figure 1.1-2. Expressway System Key Features

The Expressway™ system will operate with 3.0 GHz of bandwidth in each of two polarizations in the V-band and 500 MHz of bandwidth in each of two polarizations in the Ku FSS band. The requested V-band spectrum will be reused 40 times over each service area. The requested Ku-band spectrum will be reused ten times over each service area. V-band coverage for a given area (3°x 6° in satellite coordinates, sufficient to cover an area the size of the 48 contiguous States) will be provided by an antenna system that offers the ability to independently select 20 receive dual-polarized spots from a total of 204 narrow (0.3°) receive spot

beam locations and 20 transmit dual-polarized spots from a total of 204 narrow (0.3°) transmit spot beam locations. Uplink and downlink beam selection can be changed any time on orbit to accommodate traffic requirements.

Thin route service will be provided by eight dual-polarized, elliptical area coverage (3° x 1°) beams and one large area (6°) beam operating in the Ku-band. Traffic from each of the Ku-band coverage areas will be coupled into the same Time Division Multiple Access (TDMA) switch on the satellite that routes traffic between the V-band beams.

To provide for hemispheric interconnectivity in the Americas, a Ku-band large area beam (6°) will be directed toward the southern hemisphere, allowing thin route coverage of South America. For Expressway™ satellites in other orbital positions worldwide, this beam will provide north-south interconnection, for example, between areas such as Europe and Africa.

Laser intersatellite links will interconnect Expressway™ traffic from one satellite to other satellites serving the same or other regions thereby providing global interconnectivity.

High data rate users will generally be served by V-band spot beams. The capacity of these individual user links will usually be in the T1 to OC-3 range. Rates below T1 will be accommodated at user terminals by submultiplexing to T1 (or higher) rates before transmission. Users in thin route areas will generally be served by Ku-band beams. Ku-band service will also provide higher link availability to users who require it. These users will have dual mode V-band and Ku-band terminals with antennas in the range of 2.5 meters.